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ABSTRACT

The overall objective of Subcommittee No. 3 of the Implementation Task Force on Education and Training for Minority Business Enterprise was to effect actions required to implement two recommendations in the final report of the initial task force. The two recommendations were: (1) to establish a minimum of 12 pilot programs in entrepreneurial career awareness and training for minority youth at the elementary and secondary levels and for youth outside the established school systems, and (2) to establish a minimum of six pilot programs in entrepreneurial career awareness and training for adults. The document contains a suggested plan for implementation, or timetable, for fiscal year 1975-76; a two-page discussion of sources for funding; a chart providing detailed information on projects already funded in 1975, with five pages of supplementary information; and a three-page discussion of the prospects for institutionalization of Subcommittee No. 3 programs, which are all pilot, or demonstration, programs. Some provisions which have already been made to assist these programs in continuing beyond the life of the current or pending contracts or grants are recounted, and efforts being made toward information dissemination are described. (Author/AJ)

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FINAL REPORT OF SUBCOMMITTEE #3 OF IMPLEMENTATION TASK FORCE ON EDUCATION AND TRAINING FOR MINORITY BUSINESS ENTERPRISE

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FINAL REPORT OF SUBCOMMITTEE #3 OF IMPLEMENTATION TASK FORCE ON EDUCATION AND TRAINING FOR MINORITY BUSINESS ENTERPRISE

Submitted to the Chairman
of the Implementation Task Force on
Education and Training for
Minority Business Enterprise,
Dr. John R. Ottina

October 1975
by the Chairman, Subcommittee #3
Dr. William F. Pierce

PREFACE

During the deliberations of the initial Task Force on Education and Training for Minority Business Enterprise, there was a general consensus that the youth of the country must be an important focus in the overall plans to enhance minority business enterprise and eventually bring minorities into the mainstream of American economic life. Consequently, when the final report of the initial task force was submitted to the Secretary of HEW (Weinberger) and the Secretary of Commerce (Dent) in 1974, the report contained a strong recommendation for entrepreneurial career awareness and training for minority youth at the elementary and secondary levels, including youth outside the established school systems.

After the Implementation Task Force on Education and Training for Minority Business Enterprise was established in July 1974, responsibility for implementing the 12 pilot career awareness and training programs for youth was assigned to Subcommittee #3 of the task force, together with the six career awareness and training programs for adults recommended also in the initial task force's final report. The information contained in this Subcommittee #3 final report gives a

detailed account of the progress that was made toward implementing this recommendation.

In "brainstorming" the concept and strategies for implementing this programs for youth, Mr. Richard Hobson, a member of my staff in the Office of Education, and I have experienced practically no difficulty in selling the efficacy of this effort to members of Subcommittee #3 and to the many other practitioners and advocates of minority business enterprise who have been exposed to our plans. Nearly everyone seems to agree that, if we are to be successful in increasing the quantity and quality of businesses owned by minority persons and reducing the high incidence of business failure, we must address ourselves to the problem in two ways: first, by providing appropriate information to youth at the elementary and secondary school levels, and second, by assisting minority individuals already actively employed as entrepreneurs.

Unfortunately, there is never quite enough money to solve as completely as we would like a social problem of the magnitude of minority business enterprise. However, I feel we were able to make a good start in our efforts to implement programs that will attract and inspire minority youth to see business ownership as a believable career option in life and to assist those minority adults already so committed. While

Subcommittee #3 was not able to obtain all the funds that were sought, I am pleased with our success. This Federal Government effort can best be described as primarily a catalytic force that, hopefully, will motivate State and local education agencies to use their resources to achieve the goals outlined in the original Task Force Report.

William F. Pierce
Chairman, Subcommittee #3
(Deputy Commissioner for
Occupational and Adult Education,
U.S. Office of Education, HEW)

Subcommittee #3 Members

Dr. William F. Pierce, Chairman
Richard Hobson (HEW)*
Inez S. Lee (Treasury)
Francis Clay (Treasury)*
Mildred Glazer (Commerce)

*Alternates

PLAN OF ACTION

1. Objective - The overall objective of Subcommittee #3 was to effect actions required to implement the following recommendations in the final report of the initial Task Force on Education and Training for Minority Business Enterprise:

   a. Establish a minimum of 12 pilot programs in entrepreneurial career awareness and training for minority youth at the elementary and secondary levels and for youth outside the established school systems.

   b. Establish a minimum of six pilot programs in entrepreneurial career awareness and training for adults.

2. Basic Rationale -

   a. Statistics show a great disparity between minority business ownership versus ownership by other segments of the total population. Although these statistics vary with the time of the samplings, state of the economy, etc., one revealing statistic shows minority persons representing about 17 percent of the total population but owning only about four percent of the businesses and less than 7/10 of one percent of the country's total business assets. Since business ownership is fundamental in the recycling of money through any segment such as a minority group and, hence, their economic well-being, an improvement in this statistic is extremely important. Along with other remedies, we must alter the curricula in our public schools to motivate young minority youth to see business as a believable career option in life.

b. Another statistic in support of this rationale is the estimate that about 80 percent of the businesses started often fail within the first five years. This suggests a critical need to advance the state of the art for improved business management techniques that will help reduce the high incidence of business failure. More effective education and training in the area of business management, including certain aspects peculiar to minority experiences, must therefore be provided for actual, potential, and future minority entrepreneurs (i.e., youth).

3. Schedule of Work - In order to approach the Subcommittee #3 responsibility methodically and effectively, milestones were developed and plotted to fulfill the overall objective of the subcommittee (see exhibit "1"). Although the considerable number of variables precluded accomplishing all of the objective milestones on the exact dates plotted, the milestones were met in various forms and served as reminders that kept the subcommittee from allowing important tasks from slipping through the cracks.

Exhibit "1"

SUGGESTED PLAN FOR IMPLEMENTATION

OF SUBCOMMITTEE #3 RECOMMENDATIONS

FISCAL YEAR 1975 and 1976

OBJECTIVE: To effect actions required to implement recommendations in the final report of the Task Force on Education and Training for Minority Business Enterprise:

A. Establish a minimum of twelve (12) pilot programs in entrepreneurial career awareness and training for minority youth at the elementary and secondary levels, and for youth outside the established school systems.

B. Establish a minimum of six (6) pilot programs in entrepreneurial career awareness and training for adults.

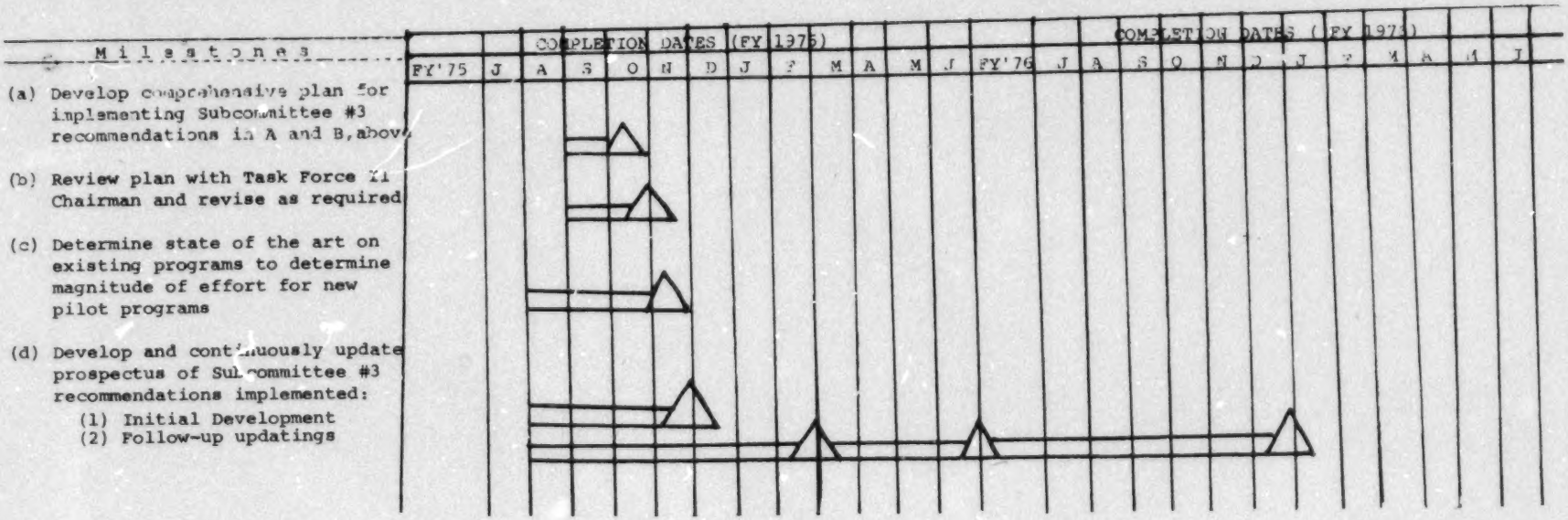
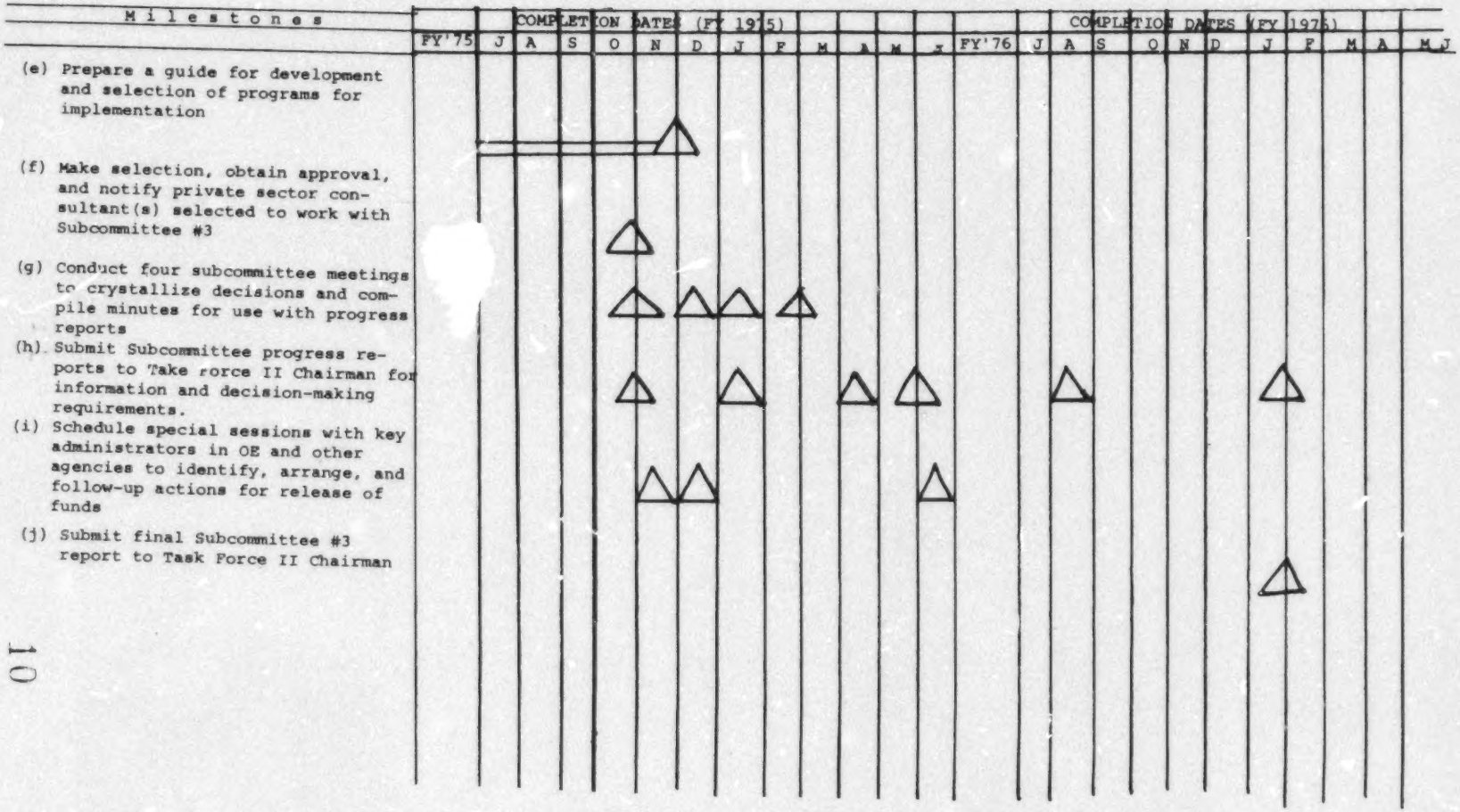

Milestones
COMPLETION DATES (FY 1976)
COMPLETION DATES (FY 1975)
FY'75 J A S O N D J F M A M J FY'76 J A S O N D J F M A M J
(a) Develop comprehensive plan for implementing Subcommittee #3 recommendations in A and B, above
(b) Review plan with Task Force XI Chairman and revise as required
(c) Determine state of the art on existing programs to determine magnitude of effort for new pilot programs
(d) Develop and continuously update prospectus of Subcommittee #3 recommendations implemented:
(1) Initial Development
(2) Follow-up updatings

Exhibit "1" (continued)


Milestones
COMPLETION DATES (FY 1975)
COMPLETION DATES (FY 1976)
FY'75
J A S O N D J F M A M J
FY'76
J A S O N D J F M A M J
(e) Prepare a guide for development and selection of programs for implementation
(f) Make selection, obtain approval, and notify private sector consultant(s) selected to work with Subcommittee #3
(g) Conduct four subcommittee meetings to crystallize decisions and compile minutes for use with progress reports
(h) Submit Subcommittee progress reports to Take rorce II Chairman for information and decision-making requirements.
(i) Schedule special sessions with key administrators in OE and other agencies to identify, arrange, and follow-up actions for release of funds
(j) Submit final Subcommittee #3 report to Task Force II Chairman

COMMITMENT OF RESOURCES

1. Initial projections for funds.

Since Federal funds had to serve as the initial stimulus for implementing the various programs envisioned in the objective, the first task of Subcommittee #3 was to identify the Federal agencies that could theoretically allocate funds to that effort. Although the discussion in the task force meetings about contributions from the private sector, it was decided that, initially, no realistic reliance could be placed on obtaining such funds, at least until after stimulation by the Federal Government. The subcommittee concluded that funds for the Subcommittee #3 programs should be sought from the following agencies in the amounts indicated.

Amount	No. of Projects	Funding Source
$1,380,489	9	Office of Education, HEW
450,000	3	Manpower Administrator, DOL
450,000	3	Office of Minority Business Enterprise, Commerce
450,000	3	Small Business Admn., (SBA)
$2,730,489	- Total initial projection	

2. Actual or adjusted commitments for funds.

After discussions with the various agencies, we found it necessary, for various reasons, to revise our estimates, but not to the extent that the initial estimates would be seriously impaired. Fortunately, the Office of Education, HEW,

was able to negotiate a matching-fund arrangement with the Bureau of Indian Affairs (BIA) whereby with the channelling of $100,000 into a career awareness and training program for Indian youth, BIA would in turn provide $200,000 to the funding of two such programs for Indian adults. Thus the actual or adjusted commitments for funds turned out to be as follows for Subcommittee #3.

Amount	No. of Projects	Funding Source
$1,080,000	9	Office of Education, HEW
450,000	4	DOL (authorized spending of deobligated funds in OE)
200,000	1	Bureau of Indian Affairs
200,000		OMBE, Dept. of Commerce

(OMBE was unable to contribute its share of $450,000, but did put its $140,000 share into an adult program (Howard Univ.) mutually funded with the Office of Education, and also projected $60,000 for a total of $200,000.)

(Note: SBA was unable to contribute its share of $450,000).

$1,930,000 - Total actual or adjusted commitment

3. Recapitulation of initial estimates of funds versus actual commitments of funds.

In analyzing the initial estimates of number of projects (18) and funds ($2,730,489) to be committed in relation to the adjusted commitments (14 projects and $1,930,000), Subcommittee #3 should seek another $800,000 for the funding of at least four more projects. As this report is being prepared for publication,

efforts are still underway to locate the additional resources. We are guardedly optimistic that the additional funds will be obtained.

BREAKOUT OF PROJECTS ALREADY FUNDED OR COMMITTED FOR FUNDING

The chart (exhibit "2") contains detailed information on Subcommittee #3 projects already funded in FY 1975 and FY 1976, or committed and projected for funding later in FY 1976. The following information is furnished as a supplement to the chart (exhibit "2").

a. Item 1. This career awareness and training program for youth was implemented in the Atlanta school system in FY 1975. As a result of this project, the Atlanta school system has committed itself to a stringent effort to continue offering such a program to motivate minority youth to see business ownership as a believable career option for the future. The program provided career awareness for students up to the junior high level, exploration of the career at the junior or middle school level, and actual pursuit of the career at the senior high level. The program also gives the students experience in actually conducting a simulated business. It was completed June 30, 1975. The Atlanta school system is developing a strategy to continue the program from other allocated funds.

b. Item 2. The youth program identified on the chart (exhibit "2") has the same concept as for Item 1, and is

being developed for implementation in the Oakland school system. As a kick-off to dramatize implementation of the program, plans are being developed for a Minority Youth Fair that will probably have the active support and participation of both large businesses such as Kaiser and Safeway and small minority-owned firms. This program also has plans for students to engage in a "live" business instead of a simulated arrangement. The program will run through FY 1976. Contacts are already being made for continuation or replication to other California localities utilizing other sources of funds.

c. Item 4. COGME (Council for Opportunity in Graduate Management Education) is comprised of a consortium of the following colleges and universities.

(1) Harvard University	- Boston, Mass.
(2) Columbia University	- New York, N.Y.
(3) University of California,	- Berkeley, Calif.
(4) Carnegie-Mellon University	- Pittsburg, Pa.
(5) University of Chicago	- Chicago, Ill.
(6) University of Pennsylvania	- Philadelphia, Pa.
(7) Cornell University	- Ithaca, N.Y.
(8) Stanford University)	- Stanford, Calif.
(9) Mass. Inst. of Technology (M.I.T.)	- Cambridge, Mass.
(10) Dartmouth College	- Hanover, N.H.

This program is focusing on young minority adults primarily from a poverty background, providing them with such services as recruitment into the program, financial aid, counseling, tutoring, and other education-related services. After the

students complete the courses, COGME utilizes its extensive contacts to obtain business management-related positions for the students. Although this type of program is not entirely geared to an increase in minority business ownership, it is a reasonable assumption that graduates from these courses will make contacts and gain experience in the business community, with many of them eventually deciding to establish their own businesses. Funds provided through Subcommittee #3 efforts will continue through FY 1976.

d. Item 5. Program ABLE (Assisted Business Leadership Education) has essentially the same concept as the COGME program described above. The colleges and universities in the ABLE consortium are as follows:

(1) University of Massachusetts - Amherst, Mass.
(2) University of Arizona - Tucson, Ariz.
(3) Atlanta University - Atlanta, Ga.
(4) Howard University - Washington, D.C.

As in the case of COGME, the funds generated for ABLE from Subcommittee #3 efforts will continue through FY 1976.

e. Item 10. The Institute for Minority Business Education (IMBE) at Howard University was provided with funds to carry out career awareness and training for adults through a different mode, concentrating heavily on manager development through an Executive and Organization Development Program and the use of validated assessment center techniques. The training experience stresses the personal development

needs of the participants. There is also a strong emphasis on exposing the trainees to management tools such as Management by Objectives. As is the case with COGME and ABLE, the IMBE program at Howard University is national in scope, drawing its students from practically all parts of the country. The program funds generated by Subcommittee #3 will continue through FY 1976.

f. Item 11. The concept of this career awareness and training program for adults places emphasis on women, especially Hispanic women. One of the strong resentments expressed by the women members of the initial Task Force on Education and Training for Minority Business Enterprise was that there should be more programs to stimulate business ownership by women. This particular program was funded through a firm controlled and operated by a woman, L. Miranda and Associates. In addition to exposing the students to the fundamentals of business management, the program will attempt to motivate more women to see business ownership as a viable career option. Special curricula and counseling will be developed and utilized to accommodate the considerations peculiar to women. Funds have been provided to continue the program through FY 1976.

g. Item 12. This career awareness and training program for youth is of the same basic concept as the two programs

discussed in items 1 and 2 above. However, this one has been developed and will be monitored in close coordination with the Bureau of Indian Affairs. The target will be Indian youth on reservations in the Four Corners Area of the Southwest. The Bureau of Indian Affairs has been responsible for coordinating and obtaining the proper concurrence of the tribal leadership in the Indian community. The program is funded to operate through FY 1976.

h. Item 13: The concept of this career awareness and training program for adults is to focus primarily on the needs of Asian-Americans. The funds will help support a Business and Education and Training Center for Asian-Americans. The main location is in San Francisco, with satellites located in Oakland and San Jose, Calif. Funds have been provided for activities through FY 1976. Since this program and the one identified as Item 10 are also recognized as exemplary delivery systems by Subcommittee #1 of the Implementation Task Force on Education and Training for Minority Business Enterprise, that subcommittee will encourage prime sponsors to continue the programs from funds under the Comprehensive Employment and Training Act (CETA).

"Exhibit 2"

SUBCOMMITTEE #3 PROJECTS FUNDED IN FY 1975 AND THOSE FUNDED OR PROJECTED FOR FY 1976

Contractor/Grantee	Type of Career Awareness and Training Program	Amount	FY Implemented or Projected	Remarks
1. Roy Littlejohn Asso. Wash. D.C., and Atlanta, Ga.	Youth (Blacks)	$170,000	1975 (Funded)	Atlanta, Ga.
2. Del Green & Asso. Burlingame, Calif.	Young Adults (Spanish-speaking Blacks) Youth (Spanish-Speaking Blacks)	160,480 150,000	1975 (Funded) 1975 (Funded)	National Oakland, Calif.
3. Not Selected	Youth	150,000	1976 (Projected)	Voc. Research Funds
4. COGME Cambridge, Mass.	Young Adults (Blacks, Indians, Asian-Americans, Hispanic Americans)	75,000	1975 (Funded)	National
5. ABLE Amherst, Mass.	Young Adults (Blacks, Indians, Spanish-speaking)	75,000	1975 (Funded)	National
6. Not Selected	Youth	150,000	1976 (Projected)	ESA Funds
7. Not Selected	Youth	150,000	1976 (Projected)	ESA Funds
8. Not Selected	Adults	100,000	1976 (Projected)	Interagency transfer of funds from BIA
9. Not Selected	Adults	100,000	1976 (Projected)	Same as above
10. Institute for Minority Business Education Howard University Washington, D.C.	Adults, (Blacks, Indians)	150,000* OE 140,000 OMBE (60,000)	1975 (Funded) Projected	National *From Labor $450,000 share

Contractor/Grantee	Type of Career Awareness and Training Program	Amount	FY Implemented or Projected	Remarks
11. L. Miranda & Asso. Washington, D.C.	Adults-Hispanic (Women)	$112,000*	1975 (Funded)	*From Labor's $450,000 share
12. American Indian Consultants	Youth (Indians)	100,000*	1975 (Funded)	*From Labor's $450,000 share
13. Lincoln University San Francisco, California	Adults - (Asian-Americans)	85,000* 75,000**	1975 (Funded)	*From Labor's $450,000 share. **From Labor's $250,000 share for Subcommittee #1

PROSPECTS FOR INSTITUTIONALIZATION OF PROGRAMS

All the programs generated for funding by Subcommittee #3 are pilot or demonstration programs. They are, therefore, being implemented as models that will, hopefully, work their way into the ongoing educational system. Hopefully they will demonstrate their worthiness and be continued from funding sources within the system, involving funds from Government, State or local public sources, or from the private sector. The ultimate goal is that such programs will be institutionalized and continued indefinitely.

Some provisions have already been made to assist these programs in continuing beyond the life of the current or pending contracts or grants. For example, the programs identified in exhibit 2 as Items 10 and 13 are considered to be exemplary delivery systems within the purview of Subcommittee #1, and will thus have at least the benefit of encouragement to prime sponsors under the Comprehensive Employment and Training Act (CETA) to consider providing funds for continuation of the two programs. The directors of these two programs have already been advised that staff established under Subcommittee #1 will participate in the monitoring of the programs and assisting in the continuation efforts cited above.

The directors of the youth programs identified as Items 1, 2, and 12, exhibit 2, are expected to have discussions with superintendents or other school district officials in an effort to have State or local education officials request funds for continuation from their allocations or from special career education funds from the Washington level. The contractors and directors of these two programs have expressed their commitment to work aggressively toward replication and institutionalization of the program concept. In addition, the program being implemented on Indian reservations (Item 12, exhibit 2) will be advised to seek help from the Bureau of Indian Affairs.

Since both COGME and ABLE represent a graduate education concept, it will be necessary to explore consideration of continued funding for them under the Higher Education Act. Exploratory talks will be set up with appropriate persons in the Bureau of Post-Secondary Education, Office of Education. Both of these programs started a few years ago with funds from foundations, with the stipulation that continuation arrangements would be sought from the Federal Government. If no positive arrangements can be negotiated from Higher Education Act funds in Washington, the matter will probably be pursued from resources allocated at the State or local level.

The career awareness and training program for adults identified as Item 11 in exhibit 2 will probably be recommended for consideration as an exemplary delivery system within the purview of Subcommittee #1. Since that program is the only one specifically designed to address the special considerations of women, it seems likely that this will be done if the pilot model is successful.

As a part of the replication process, there will be increasing emphasis on the dissemination of information about the career awareness and training programs. Both the Atlanta project and the Oakland projects are developing informational material to enable education officials and the general public to read about the program successes. The Office of Education will be encouraging more coverage about the programs in various education publications. The ERIC information system will also be explored as a vehicle for dissemination.